4. Increasing credit flow to agriculture through Kisan Credit Cards (KCCs).

5. Permitting SHG-Bank linkage for productive activities in the rural areas.

6. Permitting RRBs to provide credit to non-target groups.

Investment In agriculture

2142. SHRI VIJAY J. DARDA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are thinking of large investments in agriculture, particularly irrigation and infrastructure to reinforce the campaign against poverty and unemployment;

(b) if so, in what manner Government propose to raise resources for this massive investment in view of increasing revenue expenditure and rising revenue deficit, coupled with substantial decrease in domestic savings due to low rate of interest; and

(c) how grass-root poverty and rural unemployment would be taken care of in the above economic scenario?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir. The Union Budget 2004-05 has a thrust on development of rural infrastructure, expanding water harvesting, watershed development, minor-irrigation and micro-irrigation schemes and restoring water bodies.

(b) Such investment is to be made through credit-enabled private investments and enhanced public investment. The Fiscal Responsibility and Budget Management Act (FRBM) 2003, aims at wiping out the revenue deficit in the medium term. This will open up fiscal space upto 3 per cent of the GDP for enhanced public investment without undermining fiscal prudence.

(c) Empowering the people, especially the poor, with universal access to education and health, and facilitating their full participation in the growth process, through targeted intervention and gainful employment, will meet the objective of eliminating poverty and unemployment. It will also reinforce the growth process, and help in tackling the problems of poverty and unemployment.